where Z is benzyloxycarbonyl, -NHO- is hydroxylamine linkage, and Bz is benzoyl).

29. (New) The method of claim 28, wherein the cell is a cancer cell.

30. (New) The method of claim 29, wherein the cancer is a solid tumor.

31. (New) The method of claim 29, wherein the cancer is prostate cancer.

32. (New) The method of claim 29, wherein the cancer is breast cancer.

33. (New) The method of claim 29, wherein the cancer is a brain tumor.

34. (New) The method of claim 29, wherein the cancer is leukemia.

35. (New) The method of claim 28, wherein cytoxicity results from apoptosis.

36. (New) The method of claim 35, wherein the cathepsin inhibitor is administered by expressing a heterologous nucleic acid sequence encoding CATI-1 (Z-Phe-Gly-NHO-Bz; where Z is benzyloxycarbonyl, -NHO- is hydroxylamine linkage, and Bz is benzoyl) in the cell; wherein the cell has enhanced cathepsin activity as compared to control host cells.

37. (New) A method for inhibiting inflammatory disease states in a subject comprising administering to the subject a cathepsin inhibitor.

38. (New) The method of claim 37, wherein the cathepsin inhibitor is CATI-1 (Z-Phe-Gly-NHO-Bz; where Z is benzyloxycarbonyl, -NHO- is hydroxylamine linkage, and Bz is benzoyl).

39. (New) The method of claim 37, wherein the inflammatory disease is rheumatoid arthritis.

40. (New) The method of claim 37, wherein the inflammatory disease is osteoarthritis.